

THE GDL KICKBACK

THE INSURANCE
INDUSTRY WANTS
TEENS OFF THE
ROAD, PERIOD.
BUT THERE'S
A POTENTIALLY
DEADLY PAYOFF

BY J. P. VETTRAINO



NEWS THAT FEWER teenagers are getting driver's licenses has been greeted with consternation in some corners, but it couldn't make the insurance industry happier.

There are lies, damned lies and statistics—and sometimes legitimate, measurable trends. While some experts have quibbled about how some states report their information, no one argues the basic point: More teenagers are forgoing a driver's license longer than at any time in at least 20 years.

The most recent federal data say that, compared with a just a decade

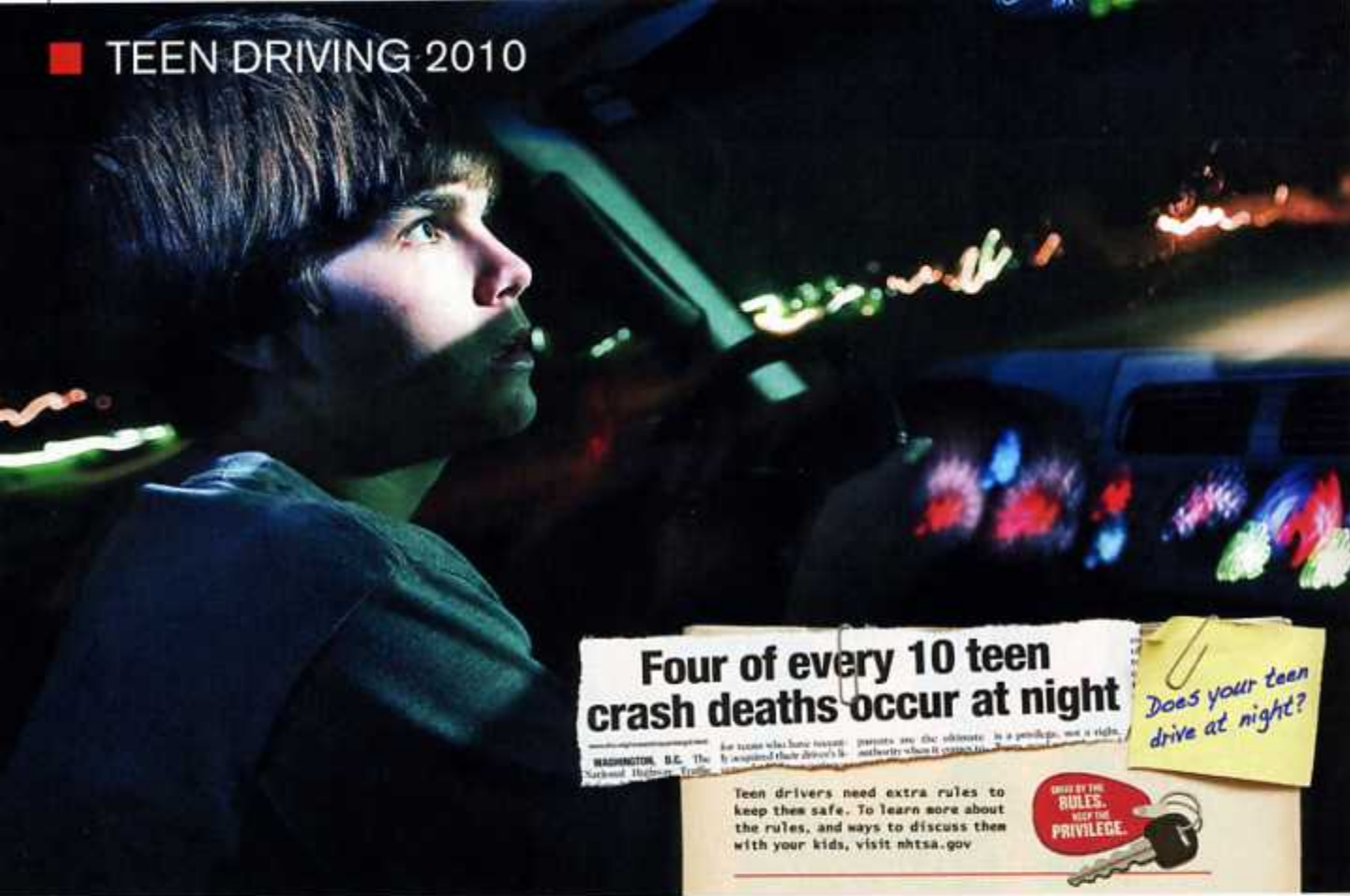
ago, about 17 percent fewer 16-year-olds exercise their right to obtain a driver's license. Released by the Federal Highway Administration last

Fewer 17-year-olds—16 percent fewer, as a share of all 17-year-olds—got licenses in 2008 than in 1999. In some states, fewer 18-year-olds got

As the percentage of 16-to-18-year-olds getting their licenses has declined, so has the number of new drivers who complete the graduated driver licensing (GDL) process.

spring, the figures compare the number of teens who obtained their licenses annually from 1999 through 2008. The downward trend extends beyond 16-year-olds.

licenses, reducing the national take rate for that age by 8.4 percent. Put another way, the number of newly licensed U.S. drivers ages 16 to 18 declined by 161,000 between 1999 and



Four of every 10 teen crash deaths occur at night

Does your teen drive at night?

WASHINGTON, D.C. The National Highway Traffic

for teens who have recently acquired their driver's licenses are the ultimate authority when it comes to driving. It is a privilege, not a right.

Teen drivers need extra rules to keep them safe. To learn more about the rules, and ways to discuss them with your kids, visit nhtsa.gov

DRIVE BY THE RULES. KEEP THE PRIVILEGE.



As part of a NHTSA campaign, posters at www.nhtsa.gov cite statistics about night-time driving (above), texting while driving (48 percent of teens admit to it) and teens driving with two or more teen passengers (making a fatal crash five times more likely).

2008—even though the number of people in that age group increased by 1,051,000 during that time. A host of social, economic and regulatory issues might contribute to this trend, and one of them might be graduated driver licensing (GDL).

It's a different world from what it was a decade ago—or at least a world with different accoutrements. For the digital generation, text messaging, Facebook and Skype are necessary components of social interaction, and a car might no longer be the ultimate tool of social life. Then there is simple economics. If the lower middle class is eroding, as some pundits suggest, then the cost of getting teens behind the wheel might be a burden that isn't worth bearing.

The model that applied for decades—driver's education at the local high

school—is no longer an option for an overwhelming majority of teens. In states where there's an educational element to license requirements, the cost is borne by the teen (or the parents), with a base price of \$300 to \$600. Factor

in higher state fees, more expensive gasoline. Insuring a teen to drive the family car increases the premium by a minimum of 50 percent.

Concurrent with the declining share of teen drivers, of course, is the advent of GDL. Regular *AutoWeek* readers are familiar with GDL: graduated steps before full driving privileges are granted,

with restrictions, including a period of adult supervision.

"Just how independent does a young person feel when the only way they can legally drive is with Mom or Dad in the car?" asks Jim Baxter, president of the Wisconsin-based National Motorists Association, which describes itself as an advocacy group for drivers' rights. "Who wants the hassle and expense of driving so your passenger mother can

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whine about your poor grades?"

Is Baxter's point pure lampoon? Consider the rest of the feds' data before deciding. By age 19, the trend toward fewer teen licensees reverses: The percentage of all 19-year-olds getting licenses increased between 1999 and 2008. As a group, the number of licensed 16-through-19-year-olds increased as well,

in both relative and absolute terms (by 13.3 percent, or 344,000 more new licensees annually).

In other words, teens aren't completely forgoing driver's licenses. They're just waiting until they are 19 to get them. Coincidentally or not, the GDL requirements in all but two states disappear by the time a resident is 19. At that age, the license seeker can head to the motor vehicle department, perfunctory road-test certificate in hand, take the multiple-choice written exam and leave with a valid driver's license.

By default, as the percentage of 16-to-18-year-olds getting their licenses has declined, so has the number of new drivers who complete the GDL process.

As of August 2010, only North Dakota has no GDL requirement for new teen drivers. Specifics in the other 49 states vary, but the standard is three

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license levels (learner's permit, provisional license, full license), with specified hours of parental supervision and restrictions on night driving and teen passengers. As GDL has rolled out, public funding for driver education has all but disappeared. Thirty-three states include a formalized educational element in GDL, but the cost is typically left to the student. The most stringent require 30 hours of classroom instruction and six on the road, in one or two stages.

However GDL was sold to state legislators in the 1990s—foremost by an insurance lobby arguing that driver education essentially was useless in reducing teen fatalities—the Insurance Institute for Highway Safety makes no bones about the objective of graduated licensing in 2010.

"The primary purpose of GDL is to take the youngest drivers out of the riskiest driving situations—like night driving and driving with other teens in the car," says IIHS spokesman Russ



■ **MOTOR-VEHICLE CRASHES ARE THE LEADING CAUSE** of death for driving-age teens. No matter how much training we give them, at some point, we hand over the car keys and hope for the best.

While driver training is one way to help keep teens safe behind the wheel, sometimes it's important for parents to know exactly what their kids are doing while away from their supervision. Some might say this is spying on your kids, but others look at it as just good parenting—obtaining as much information as possible to help keep your kids safe.

Here are some covert and not-so-covert ways to make sure your teen is obeying the rules of the road.

All Track USA

www.alltrackusa.com

Car Chip Pro, \$139

The tracker records up to 300 hours of trip details, vehicle speeds, hard accelerations, hard decelerations or braking, time and date for each trip, distance traveled. User-settable alarms for speed, hard braking and quick acceleration tell the driver to take it easy.

Brickhouse Security

www.brickhousesecurity.com

Spark Nano Real-Time GPS Tracking Device, \$300 (sale \$200)

The device uses rechargeable battery power. Press the panic button, and in seconds, a location beacon will appear on the map so you can find the GPS tracker's location quickly and easily. It records how fast the vehicle has traveled and sends an alert via e-mail or text message if the

vehicle travels outside a designated area. It's easily hidden in a glove compartment or other discreet location.

DriveCam

www.drivecam.com

DriveCam, \$899 (start-up package)

Aggressive or inattentive driving triggers the camera. Driving data are collected by the camera, capturing 12 seconds of video when risky driving is detected. Videos are sent to the DriveCam offices, where they are scored. Results, video and coaching tips are posted daily on the Web site.

Go Track

www.gotrackinc.com

Go Track EZ, \$199, \$16.67/month (with one-year bundle)

This tracker plugs into your car's OBD-II port, gives one-minute updates and uses

Google Maps. It works with PCs or Macs with Internet alerts for speeding, location, after-hours movement and tampering.

Lemur Monitors

www.lemurmonitors.com

SafeDriver, \$70

The unit consists of a sensor and a key fob. It wirelessly records trip data including maximum speed, total distance traveled and sudden braking. You can capture data immediately by attaching the fob to your car keys or pull it later by syncing with the sensor at the end of the trip.

Rocky Mountain Tracking

www.rmtracking.com

Informer Lite, \$295

History is stored in an on-site server for up to one year.

You can view reports with date, time, location, speed, heading, latitude, longitude, altitude, battery level, alerts, excessive speed, geo-fence and ignition states. The tracker is U.S. military and SAE certified. When a set threshold is broken, the unit reports the speed and position of the vehicle.

TattleTeen

www.tattleteen.com

Plug-N-Track, \$329

This tracker finds the vehicle's current location and monitors fuel level and average speed. You can view 90 days of driving. The unit provides in-motion alerts to your phone and on-screen mapping of the vehicle.

Youth Driving Safe

www.youthdrivingsafe.org

YDS Tracker, \$343

The service provides Web monitoring with on-screen mapping and vehicle speed and direction. Parents get daily text driving-history reports. 📶

Rader. "The extent to which GDL is taking 16-year-olds off the road entirely is a huge side benefit."

Many question the mechanism behind GDL's success, and some decry its opportunity cost or the toll it takes on civil rights. Yet few experts contend that GDL hasn't had an impact. Motor-vehicle fatalities remain the leading cause of death for those ages 15 to 20 in the United States, but NHTSA reports that the fatality rate per 100,000 16-year-old drivers fell from 79.2 in 1999 to 43.9 in 2008, or 44 percent.

Legitimate questions linger. If gradually guiding teens toward becoming safer, better drivers is a component of GDL in any fashion, does it serve the purpose if more teens simply skip the process? And does anyone assume that 18- and 19-year-olds are automatically better equipped to make smarter, more responsible choices when driving than 16- or 17-year-olds, even without the graduated learning process that 16- and 17-year-olds are expected to undertake?

"Both maturity and inexperience play a factor in new-driver fatalities, but the data suggest that inexperience plays a bigger role," says Arthur Goodwin, senior research associate at the University of North Carolina's Highway Safety Research Center. "Is GDL delaying fatalities to a second [age] group of drivers? I think the book is incomplete."

The first chapter might be written in NHTSA's stats. Between 1999 and 2008, as GDL was presumably reducing fatalities associated with 16- and 17-year-old drivers, the fatality rate per 100,000 19-year-old drivers was declining as well, from 54.8 to 44.0. That 19.7 percent decrease is substantially

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smaller than the decrease for 16- or 17-year olds—smaller also than the 27 percent decline in fatality rate for all drivers ages 30 to 59, which presumably can be attributed to safer cars, better crash protection, safer roads



TEEN DRIVING SCHOOLS

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and improved medical response.

In 2008, fatalities per 100,000 19-year-old drivers slightly surpassed those for 16-year-old drivers. And there were more than twice as many 19-year-old drivers

on the road. In absolute numbers, 19-year-olds were involved in 1,424 traffic fatalities, compared with 583 for 16-year-olds. If all GDL does is reduce the youngest driver's exposure, then maybe all we're doing is delaying the hit.

The question remains. Can GDL be working if it is increasingly bypassed?

"In my opinion, the answer is absolutely not," says Allen Robinson, chief executive at the American Driver and Traffic Safety Education Association, which was contracted by NHTSA to develop a model driver-training curriculum. "In the opinion of IIHS, it's working exactly as it's supposed to, because all GDL does is restrict the teen from driving. But we are bypassing the one opportunity we have to give kids some legitimate skills education.

"At best, it is neutral; we're keeping kids off the road. At worst, it has dangerous consequences." 🚗